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GLENN PATENT GROUP
3475 EDISON WAY, SUITE L
MENLO PARK,, CA 94025

EXAMINER

STARKS, WILBERT L

ART UNIT	PAPER NUMBER
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2121

DATE MAILED: 03/03/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/751,535

Applicant(s)

KINTZER ET AL.

Examiner

Wilbert L. Starks, Jr.

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 29 December 2000.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-78 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-78 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claim Rejections - 35 U.S.C. §101

1. 35 U.S.C. §101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

the invention as disclosed in claims 1-78 is directed to non-statutory subject matter.

2. Regardless of whether any of the claims are in the technological arts, none of them is limited to practical applications in the technological arts. Examiner finds that *In re Warmerdam*, 33 F.3d 1354, 31 USPQ2d 1754 (Fed. Cir. 1994) controls the 35 U.S.C. §101 issues on that point for reasons made clear by the Federal Circuit in *AT&T Corp. v. Excel Communications, Inc.*, 50 USPQ2d 1447 (Fed. Cir. 1999). Specifically, the Federal Circuit held that the act of:

...[T]aking several abstract ideas and manipulating them together adds nothing to the basic equation. *AT&T v. Excel* at 1453 quoting *In re Warmerdam*, 33 F.3d 1354, 1360 (Fed. Cir. 1994).

Examiner finds that Applicant's unnamed data references are just such abstract ideas.

3. Examiner bases his position upon guidance provided by the Federal Circuit in *In re Warmerdam*, as interpreted by *AT&T v. Excel*. This set of precedents is within the same line of cases as the *Alappat-State Street Bank* decisions and is in complete

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agreement with those decisions. *Warmerdam* is consistent with *State Street*'s holding that:

Today we hold that *the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price*, constitutes a practical application of a mathematical algorithm, formula, or calculation because it produces 'a useful, concrete and tangible result' -- *a final share price momentarily fixed for recording purposes and even accepted and relied upon by regulatory authorities and in subsequent trades.* (emphasis added) *State Street Bank* at 1601.

4. True enough, that case later eliminated the "business method exception" in order to show that business methods were not per se nonstatutory, but the court clearly *did not* go so far as to make business methods *per se* statutory. A plain reading of the excerpt above shows that the Court was *very specific* in its definition of the new *practical application*. It would have been much easier for the court to say that "business methods were per se statutory" than it was to define the practical application in the case as "...the transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price..."

5. The court was being very specific.

6. Additionally, the court was also careful to specify that the "useful, concrete and tangible result" it found was "a final share price momentarily fixed for recording purposes and even accepted and relied upon by regulatory authorities and in subsequent trades." (i.e. the trading activity is the further practical use of the real world

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monetary data beyond the transformation in the computer – i.e., “post-processing activity”).)

7. Applicant cites no such specific results to define a useful, concrete and tangible result. Neither does Applicant specify the associated practical application with the kind of specificity the Federal Circuit used.

8. Furthermore, in the case *In re Warmerdam*, the Federal Circuit held that:

...[T]he dispositive issue for assessing compliance with Section 101 in this case is whether the claim is for a process that goes beyond simply manipulating 'abstract ideas' or 'natural phenomena' ... As the Supreme Court has made clear, '[a]n idea of itself is not patentable, ... taking several abstract ideas and manipulating them together adds nothing to the basic equation. In re Warmerdam 31 USPQ2d at 1759 (emphasis added).

9. Since the Federal Circuit held in *Warmerdam* that this is the “dispositive issue” when it judged the usefulness, concreteness, and tangibility of the claim limitations in that case, Examiner in the present case views this holding as the dispositive issue for determining whether a claim is “useful, concrete, and tangible” in similar cases. Accordingly, the Examiner finds that Applicant manipulated a set of unnamed data in the abstract to solve purely algorithmic problems in the abstract (i.e., what *kind* of data are used? A mere decision table? A “grid”? A tree?) Each of these is abstracted from a particular practical application. They are data that can serve as inputs to pure mathematical algorithms... or more. Clearly, a claim for manipulation of unnamed data is provably even more abstract (and thereby less limited in practical application) than pure “mathematical algorithms” which the Supreme Court has held are per se nonstatutory – in fact, it *includes* the expression of nonstatutory mathematical algorithms.

10. Since the claims are not limited to exclude such abstractions, the broadest reasonable interpretation of the claim limitations includes such abstractions. Therefore, the claims are impermissibly abstract under 35 U.S.C. §101 doctrine.

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11. Since *Warmerdam* is within the *Alappat-State Street Bank* line of cases, it takes the same view of “useful, concrete, and tangible” the Federal Circuit applied in *State Street Bank*. Therefore, under *State Street Bank*, this could not be a “useful, concrete and tangible result”. There is only manipulation of abstract ideas.

12. The Federal Circuit validated the use of *Warmerdam* in its more recent *AT&T Corp. v. Excel Communications, Inc.* decision. The Court reminded us that:

Finally, **the decision in *In re Warmerdam*, 33 F.3d 1354, 31 USPQ2d 1754 (Fed. Cir. 1994) is not to the contrary.** *** The court found that the claimed process did nothing more than manipulate basic mathematical constructs and concluded that ‘taking several abstract ideas and manipulating them together adds nothing to the basic equation’; hence, the court held that the claims were properly rejected under §101 ... Whether one agrees with the court’s conclusion on the facts, the holding of the case is a straightforward application of the basic principle that mere laws of nature, natural phenomena, and abstract ideas are not within the categories of inventions or discoveries that may be patented under §101. (emphasis added) *AT&T Corp. v. Excel Communications, Inc.*, 50 USPQ2d 1447, 1453 (Fed. Cir. 1999).

13. Remember that in *In re Warmerdam*, the Court said that this was the dispositive issue to be considered. In the *AT&T* decision cited above, the Court reaffirms that this is the issue for assessing the “useful, concrete, and tangible” nature of a set of claims under §101 doctrine. Accordingly, Examiner views the *Warmerdam* holding as the dispositive issue in this analogous case.

14. The fact that the invention is merely the manipulation of *abstract ideas* is clear. The unnamed data implicitly referred to by Applicant’s claims are simply abstract constructs that do not limit the claims to the transformation of real world data (such as monetary data or heart rhythm data) by some disclosed process. Consequently, the

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necessary conclusion under *AT&T*, *State Street* and *Warmerdam*, is straightforward and clear. The claims take several abstract ideas (i.e., unnamed data in the abstract) and manipulate them together adding nothing to the basic equation. Claims 1-78 are, thereby, rejected under 35 U.S.C. §101.

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. §112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 1-78 are rejected under 35 U.S.C. §112, first paragraph because current case law (and accordingly, the MPEP) require such a rejection if a §101 rejection is given because when Applicant has not in fact disclosed the practical application for the invention, as a matter of law there is no way Applicant could have disclosed *how* to practice the *undisclosed* practical application. This is how the MPEP puts it:

("The how to use prong of section 112 **incorporates as a matter of law** the requirement of 35 U.S.C. §101 that the specification disclose as a matter of fact a practical utility for the invention.... If the application fails as a matter of fact to satisfy 35 U.S.C. § 101, then the application also fails as a matter of law to enable one of ordinary skill in the art to use the invention under 35 U.S.C. § 112."; In re Kirk, 376 F.2d 936, 942, 153 USPQ 48, 53 (CCPA 1967) ("Necessarily, compliance with § 112 requires a description of how to use presently useful inventions, **otherwise an applicant would anomalously be required to teach how to use a useless invention.**"). See, MPEP 2107.01(IV), quoting In re Kirk (emphasis added).

Therefore, claims 1-78 are rejected on this basis.

Response to Arguments

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15. Applicant's arguments filed 12/21/2004 have been fully considered but they are not persuasive. Applicant presents amendments and arguments to illustrate his position:

Argument 1

Regarding the 35 U.S.C. §101 rejections, Applicant presents the following argument:

Applicant respectfully disagrees and is of the opinion that the specification taken as a whole quite clearly defines the qualifier "rules metaphors". According to the Specification, a rules metaphor is defined as follows (see page 6, lines 3-10 emphasis added):

The present invention is directed to a method and mechanism for using rules metaphors to implement rules and rulesflows. According to an embodiment of the invention, a rules metaphor provides a visual environment for acquiring, generating, and manipulating rules. Some benefits of utilizing rules metaphors include: 1) allowing an architect/designer to capture rules using interfaces that are closer to the way a business analyst or user generates rules, 2) allowing the rules developer to implement rules using metaphors that are close to the way the requirements and specifications are expressed and 3) providing more concise and visually understandable representation of rules.

The claimed are clearly drawn to a computer-based method of implementing rules in a rules-based system and a computer program product that includes a medium usable by a processor, the medium having stored thereon a sequence of instructions which, when executed by said processor causes said processor to execute a process for implementing rules in a rules-based system.

Hence, Applicant is of the opinion that it is clear that a rules metaphor provides a set of choices for a developer to choose from, such set representing different types of rulesets, in view of the above and further support found readily apparent in the figures. (emphasis added.)

Examiner disagrees.

The proper way to amend a claim that has no practical application under 35 U.S.C. §101 is to add a practical application to the claims. A rejection on the basis that there is no practical application in the claims is an assertion that the claims are devoid of statutory material and that manipulating abstract terms adds nothing to the basic

equation. Removal of abstract terms does not add statutory material to claims that are devoid of statutory material to begin with.

Applicant recites a "computer based method" without even placing the steps on a computer readable medium. Even if the claims were on a "computer readable medium," that would just mean that the claims get two chances (or "two bites at the apple", as it were) to disclose statutory matter: First, a claim that discloses a "computer readable medium" is to be interpreted by Examiner as an attempt to claim a "product of manufacture." Note that products of manufacture are not per se statutory and there is no case law to support such a per se rule. Therefore, Applicant must disclose statutory matter as if the claim said that it was claiming a product of manufacture.

Even if the claim were to fail to disclose statutory matter as a product of manufacture, the claim would still have a second chance based on the underlying method disclosed. If the underlying method discloses statutory matter, then the whole claim (as well as its dependents) is statutory.

Applicant discloses no statutory matter to make any of the claims statutory. Applicant further states that matter in the Specification should be "read into" the claims and would be sufficient to make the claims statutory. The recitals that Applicant quotes as disclosing "statutory material" are insufficient.

First, Applicant does not explain how the removal of matter from the claims in the first place adds statutory material...much less why such a tactic would be effective if the very same material is to be "read into" the claims from the Specification anyway. Second, Applicant's attempt to "read into" the claims matter that he removed is

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insufficient to provide statutory material. Specifically, Applicant states the following about the definition of a "rules metaphor:"

"...a rules metaphor provides a set of choices for a developer to choose from, such set representing different types of rulesets..."

Note that Applicant defines a "rules metaphor" as nothing but a choice of rulesets.

This means that it is nothing but a decision box in an algorithm...this is a very common construct in the design of algorithms (e.g., the "case switch" statement in C++ provides the same selection capability.) There is nothing presented by Applicant to disclose the practical application of this algorithmic construct. For this reason, Examiner finds that the claims remain devoid of any statutory material and the §101 rejection on those claims STANDS.

Argument 2

Applicant argues further that the §112, 1st paragraph rejection is moot because he believes his arguments overcome the §101 rejection. Examiner disagrees.

For the reasons cited above, the §101 rejection STANDS and, therefore, the §112, 1st paragraph rejection has not been mooted. On that basis, the §112, 1st paragraph rejections STAND.

Conclusion

16. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

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A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Wilbert L. Starks, Jr. whose telephone number is (571) 272-3691.

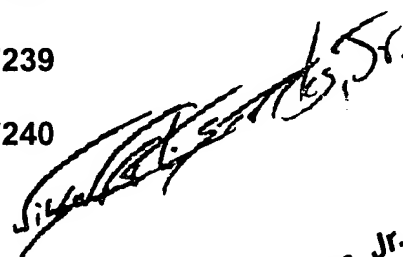
Alternatively, inquiries may be directed to the following:

S. P. E. Anthony Knight (571) 272-3687

After-final (FAX) (703) 746-7238

Official (FAX) (703) 746-7239

Non-Official/Draft (FAX) (703) 746-7240



Wilbert L. Starks, Jr.
Primary Examiner
Art Unit - 2121

WLS

01 March 2005